

1 PUBLIC PROTECTION CABINET

2 KENTUCKY HORSE RACING COMMISSION

3 (Amendment)

4 810 KAR 1:028. Disciplinary measures and penalties.

5 RELATES TO: KRS 230.215, 230.260, 230.265, 230.290, 230.300, 230.320, 230.361

6 STATUTORY AUTHORITY: KRS 230.215, 230.240, 230.260, 230.320

7 NECESSITY, FUNCTION, AND CONFORMITY: KRS 230.260(8) authorizes the commission to
8 promulgate necessary and reasonable administrative regulations under which racing shall be
9 conducted in Kentucky. This administrative regulation establishes the penalty structure for rule
10 violations and also establishes disciplinary powers and duties of the stewards and the
11 commission.

12 Section 1. Definitions. (1) "Associated person" means the spouse of an inactive person, or
13 a companion, family member, employer, employee, agent, partnership, partner, corporation, or
14 other entity whose relationship, whether financial or otherwise, with an inactive person would
15 give the appearance that the other person or entity would care for or train a horse or perform
16 veterinarian services on a horse for the benefit, credit, reputation, or satisfaction of the inactive
17 person.

18 (2) "Class A drug" means a drug, medication, or substance classified as a Class A drug,
19 medication, or substance in the schedule.

(3) "Class B drug" means a drug, medication, or substance classified as a Class B drug, medication, or substance in the schedule.

(4) "Class C drug" means a drug, medication, or substance classified as a Class C drug, medication, or substance in the schedule.

(5) "Class D drug" means a drug, medication, or substance classified as a Class D drug, medication, or substance in the schedule.

(6) "Companion" means a person who cohabits with or shares living accommodations with an inactive person.

(7) "Inactive person" means a trainer or veterinarian who has his or her license denied or suspended or revoked for thirty (30) or more days pursuant to 810 KAR Chapter 1 or KRS Chapter 230.

(8) "NSAID" means a non-steroidal anti-inflammatory drug.

(9) "Primary threshold" means the thresholds for phenylbutazone, flunixin, and ketoprofen provided in 810 KAR 1:018, Section 8(1)(a), (b), and (c), respectively.

(10) "Schedule" means the Kentucky Horse Racing Commission Uniform Drug, Medication, and Substance Classification Schedule as provided in 810 KAR 1:040.

(11) "Secondary threshold" means the thresholds for phenylbutazone and flunixin provided in 810 KAR 1:018, Section 8(3)(b) and (c), respectively.

(12) "Withdrawal guidelines" means the Kentucky Horse Racing Commission Withdrawal Guidelines Thoroughbreds, Quarter Horse, Appaloosa and Arabians as provided in 810 KAR 1:040.

Section 2. General Provisions. (1) An alleged violation of the provisions of KRS Chapter 230 relating to thoroughbred racing or 810 KAR Chapter 1 shall be adjudicated in accordance with 810 KAR 1:029, KRS Chapter 230, and KRS Chapter 13B.

(2) If a drug, medication, or substance is found to be present in a pre-race or post-race sample or possessed or used by a licensee at a location under the jurisdiction of the commission that is not classified in the schedule, the commission may establish a classification after consultation with either or both of the Association of Racing Commissioners International and the Racing and Medication Testing Consortium or their respective successors.

(3) The stewards and the commission shall consider any mitigating or aggravating circumstances properly presented when assessing penalties pursuant to this administrative regulation. A licensee may provide evidence to the stewards or the commission that the licensee complied fully with the withdrawal guidelines as a mitigating factor.

~~[(4) The commission may suspend or revoke the commission-issued license of an owner, trainer, veterinarian, or other licensee.]~~

(4)~~[(5)]~~ A licensee whose license has been suspended or revoked in any racing jurisdiction or a horse that has been deemed ineligible to race in any racing jurisdiction, shall be denied access to locations under the jurisdiction of the commission during the term of the suspension or revocation.

(5)~~[(6)]~~ A suspension or revocation shall be calculated in Kentucky racing days, unless otherwise specified by the stewards or the commission in a ruling or order.

(6)~~[(7)]~~ A person assessed any penalty, including a written warning, pursuant to this administrative regulation shall have his or her name and the terms of his or her penalty placed

1 on the official Web site of the commission and the Association of Racing Commissioners
2 International, or its successor. If an appeal is pending, that fact shall be so noted.

3 ~~(7) [(8)]~~ A horse administered a substance in violation of 810 KAR 1:018 may be required to
4 pass a commission-approved examination as determined by the stewards pursuant to 810 KAR
5 1:012, Section 10, or be placed on the veterinarian's list pursuant to 810 KAR 1:018, Section 18.

6 ~~(8) [(9)]~~ (a) A claimed horse may be tested for the presence of prohibited substances if the
7 claimant completes the Request for Post-Race Testing of Claimed Horse form and includes the
8 form in the claim envelope, which is ~~[requests the test when the claim form is completed and]~~
9 deposited in the association's claim box. The request shall not be valid if the form is not filled
10 out completely and included in the claim envelope. The claimant shall bear the costs of the test.
11 The results of the test shall be reported to the chief state steward.

12 (b) A person who claims a horse may void the claim if the post-race or TCO2 test indicates
13 a Class A, B, or C drug violation, or a total carbon dioxide (TCO2) level exceeding 37.0 millimoles
14 per liter. If the claim is voided, the person claiming the horse shall then be entitled to
15 reimbursement from the previous owner of all reasonable costs associated with the claiming
16 process and the post-race or TCO2 testing, including the costs of transportation, board,
17 training, veterinary or other medical services, testing, and any other customary or associated
18 costs or fees.

19 (c) While awaiting test results, a claimant:

- 20 1. Shall exercise due care in maintaining and boarding a claimed horse; and
21 2. Shall not materially alter a claimed horse.

1 ~~(9)~~~~(10)~~ To protect the racing public and ensure the integrity of racing in Kentucky, a
2 trainer whose penalty for a Class A violation or for a Class B third offense violation has not been
3 fully and finally adjudicated may, if stall space is available, be required to house a horse that the
4 trainer has entered in a race in a designated stall for the twenty-four (24) hour period prior to
5 post time of the race in which the horse is entered. If the stewards require the trainer's horse
6 to be kept in a designated stall, there shall be twenty-four (24) hour surveillance of the horse by
7 the association, and the cost shall be borne by the trainer.

8 (10) In addition to the penalties contained in Section 4 of this administrative regulation for
9 the trainer and owner, any other person who administers, is a party to, facilitates, or is found to
10 be responsible for any violation of 810 KAR 1:018 shall be subject to the relevant penalty as
11 provided for the trainer or other penalty as may be appropriate based upon the violation.

12 (11) A veterinarian who administers, ~~[or]~~ is a party to, ~~[or]~~ facilitates ~~[the administration~~
13 ~~of]~~, or is found to be responsible for any ~~[the administration of a Class A drug to a horse, in]~~
14 violation of KRS Chapter 230 or 810 KAR Chapter 1 ~~[1:018, or who has engaged in prohibited~~
15 ~~practices in violation of 810 KAR 1:018,]~~ shall be reported to the Kentucky Board of Veterinary
16 Examiners and the state licensing Board of Veterinary Medicine by the stewards.

17 (12) An administrative action or the imposition of penalties pursuant to this
18 administrative regulation shall not constitute a bar or be considered jeopardy to prosecution of
19 an act that violates the criminal statutes of Kentucky.

20 (13) If a person is charged with committing multiple or successive overages involving a
21 Class C or D drug, the stewards or the commission may charge the person with only one (1)
22 offense if the person demonstrates that he or she was not aware that overages were being

administered because the positive test results showing the overages were unavailable to the person charged. In this case, the person alleging that he or she was not aware of the overages shall bear the burden of proving that fact to the stewards or the commission.

(14) If a penalty for a medication violation requires a horse to be placed on the stewards' list for a period of time, the stewards may waive this requirement if ownership of the horse was legitimately transferred prior to the trainer's notification by the commission of the positive test result.

Section 3. Prior Offenses. A prior offense occurring in Kentucky or any other racing jurisdiction shall be considered by the stewards and by the commission in assessing penalties. The stewards shall attach to a penalty judgment a copy of the offender's prior record containing violations that were committed both inside and outside of Kentucky.

Section 4. Penalties for Class A, B, C, and D Drug Violations and NSAID and Furosemide Violations.

(1) Class A drug.

(a) TRAINER

<u>First offense</u>	<u>Second lifetime offense in any racing jurisdiction</u>	<u>Third lifetime offense in any racing jurisdiction</u>
<u>One (1) to three (3) year suspension;</u> <u>AND</u> <u>\$10,000 to \$25,000 fine.</u>	<u>Three (3) to five (5) year suspension;</u> <u>AND</u> <u>\$25,000 to \$50,000 fine.</u>	<u>Five (5) year suspension to a lifetime ban;</u> <u>AND</u> <u>\$50,000 to \$100,000 fine.</u>

1

(b) OWNER

<u>First offense</u>	<u>Second lifetime offense in any racing jurisdiction in a horse owned by the same owner</u>	<u>Third lifetime offense in any racing jurisdiction in a horse owned by the same owner</u>
<u>Disqualification and loss of purse;</u> <u>AND</u> <u>Horse shall be placed on the stewards' list for sixty (60) days and may be required to pass a commission-approved examination before being eligible to enter as determined by the stewards.</u>	<u>Disqualification and loss of purse;</u> <u>AND</u> <u>Horse shall be placed on the stewards' list for one hundred twenty (120) days and may be required to pass a commission-approved examination before being eligible to enter as determined by the stewards.</u>	<u>Disqualification and loss of purse;</u> <u>AND</u> <u>Ninety (90) day suspension;</u> <u>AND</u> <u>\$50,000 fine;</u> <u>AND</u> <u>Horse shall be placed on the stewards' list for one hundred eighty (180) days and may be required to pass a commission-approved examination before being eligible to enter as determined by the stewards.</u>

2

(2) Class B drug.

3

(a) TRAINER

<u>First offense</u>	<u>Second offense within a 365-day period in any racing jurisdiction</u>	<u>Third offense within a 365-day period in any racing jurisdiction</u>
<u>Thirty (30) to sixty (60) day suspension;</u> <u>AND</u> <u>\$500 to \$1,000 fine.</u>	<u>Sixty (60) to one hundred eighty (180) day suspension;</u> <u>AND</u> <u>\$1,000 to \$2,500 fine.</u>	<u>One hundred eighty (180) to three hundred sixty five (365) day suspension;</u> <u>AND</u> <u>\$2,500 to \$5,000 fine.</u>

1 (b) OWNER

<u>First offense</u>	<u>Second offense within a 365-day period in any racing jurisdiction in a horse owned by the same owner</u>	<u>Third offense within a 365-day period in any racing jurisdiction in a horse owned by the same owner</u>
<u>Disqualification and loss of purse;</u> <p style="text-align: center;"><u>AND</u></p> <u>Horse may be required to pass a commission-approved examination before being eligible to enter as determined by the stewards.</u>	<u>Disqualification and loss of purse;</u> <p style="text-align: center;"><u>AND</u></p> <u>Horse may be required to pass a commission-approved examination before being eligible to enter as determined by the stewards.</u>	<u>Disqualification and loss of purse;</u> <p style="text-align: center;"><u>AND</u></p> <u>Horse shall be placed on the stewards' list for forty-five (45) days and may be required to pass a commission-approved examination before being eligible to enter as determined by the stewards.</u>

- 2 (3)(a) The penalties established in paragraphs (b) and (c) of this subsection shall apply to
- 3 a Class C drug violation and an overage of permitted NSAIDs as follows:
- 4 1. Phenylbutazone in a concentration greater than 5.0 mcg/ml;
- 5 2. Flunixin in a concentration greater than 100 ng/ml; and
- 6 3. Ketoprofen in a concentration greater than 50 ng/ml.

1 (b) TRAINER

<u>First offense</u>	<u>Second offense within a 365-day period in any racing jurisdiction</u>	<u>Third offense within a 365-day period in any racing jurisdiction</u>
<u>Zero (0) to ten (10) day suspension;</u> <u>AND</u> <u>\$500 to \$1500 fine.</u>	<u>Ten (10) to thirty (30) day suspension;</u> <u>AND</u> <u>\$1500 to \$2500 fine.</u>	<u>Thirty (30) to sixty (60) day suspension;</u> <u>AND</u> <u>\$2500 to \$5000 fine.</u>

2 (c) OWNER

<u>First offense</u>	<u>Second offense within a 365-day period in any racing jurisdiction</u>	<u>Third offense within a 365-day period in any racing jurisdiction</u>
<u>Disqualification and loss of purse;</u> <u>AND</u> <u>Horse may be required to pass a commission-approved examination before being eligible to enter as determined by the stewards.</u>	<u>Disqualification and loss of purse;</u> <u>AND</u> <u>If same horse as first offense, horse shall be placed on the steward's list for forty-five (45) days and may be required to pass a commission-approved examination before being eligible to enter as determined by the stewards.</u>	<u>Disqualification and loss of purse;</u> <u>AND</u> <u>\$5,000 fine;</u> <u>AND</u> <u>If same horse as first and second offenses, horse shall be placed on the stewards' list for sixty (60) days and may be required to pass a commission-approved examination before being eligible to enter as determined by the stewards.</u>

3 (4)(a) The penalties established in paragraphs (b) and (c) of this subsection shall apply to
4 the following:

1 1. Overage of permitted NSAIDs as follows:

2 a. Phenylbutazone in a concentration of 2-5 mcg/ml;

3 b. Flunixin in a concentration of 21-99 ng/ml; and

4 c. Ketoprofen in a concentration of 11-49 ng/ml;

5 2. Overage of furosemide in a concentration greater than 100 ng/ml; and

6 3. Furosemide not identified when notice made that the horse would run on furosemide.

7 (b) TRAINER

<u>First offense</u>	<u>Second offense within a 365-day period in any racing jurisdiction</u>	<u>Third offense within a 365-day period in any racing jurisdiction</u>
<u>Written warning to a \$500 fine.</u>	<u>Written warning to a \$750 fine.</u>	<u>\$500 to \$1,000 fine.</u>

8 (c) OWNER

<u>First offense</u>	<u>Second offense within a 365-day period in any racing jurisdiction</u>	<u>Third offense within a 365-day period in any racing jurisdiction</u>
<u>Horse may be required to pass a commission-approved examination before being eligible to enter as determined by the stewards.</u>	<u>Horse may be required to pass a commission-approved examination before being eligible to enter as determined by the stewards.</u>	<u>If same horse as first and second offenses, disqualification and loss of purse;</u> <u>AND</u> <u>Horse may be required to pass a commission-approved examination before being eligible to enter as determined by the stewards.</u>

9 (d) If a furosemide violation occurs due solely to the actions or inactions of the

10 commission veterinarian, then the trainer and owner shall not be penalized.

(5) Multiple NSAIDs. Overage of two (2) permitted NSAIDs phenylbutazone, flunixin, and ketoprofen.

(a) TRAINER

	<u>Concentrations of both permitted NSAIDs above the primary threshold.</u>	<u>Concentrations of one permitted NSAID above the primary threshold and one above the secondary threshold.</u>	<u>Concentrations of both permitted NSAIDs below primary threshold and above secondary threshold.</u>
<u>First offense</u>	<u>Zero to sixty (60) day suspension;</u> <u>AND</u> <u>\$500 to \$1,000 fine.</u>	<u>Zero to fifteen (15) day suspension;</u> <u>AND</u> <u>\$250 to \$750 fine.</u>	<u>Zero to five (5) day suspension;</u> <u>AND</u> <u>\$250 to \$500 fine.</u>
<u>Second offense within a 365-day period in any racing jurisdiction</u>	<u>Sixty (60) to one hundred eighty (180) day Suspension;</u> <u>AND</u> <u>\$1,000 to \$2,500 fine.</u>	<u>Fifteen (15) to thirty (30) day suspension;</u> <u>AND</u> <u>\$750 to \$1,500 fine.</u>	<u>Five (5) to ten (10) day suspension;</u> <u>AND</u> <u>\$500 to \$1,000 fine.</u>
<u>Third offense within a 365-day period in any racing jurisdiction</u>	<u>One hundred eighty (180) three hundred sixty five day suspension;</u> <u>AND</u> <u>\$2,500 to \$5,000 fine.</u>	<u>Thirty (30) to sixty (60) day suspension;</u> <u>AND</u> <u>\$1,500 to \$3,000 fine.</u>	<u>Ten (10) to fifteen (15) day suspension;</u> <u>AND</u> <u>\$1,000 to \$2,500 fine.</u>

1 (b) OWNER

	<u>Concentrations of both permitted NSAIDs above the primary threshold.</u>	<u>Concentrations of one permitted NSAID above the primary threshold and one above the secondary threshold.</u>	<u>Concentrations of both permitted NSAIDs below primary threshold and above secondary threshold.</u>
<u>First offense</u>	<u>Disqualification and loss of purse.</u>	<u>Disqualification and loss of purse.</u>	
<u>Second offense within a 365-day period in any racing jurisdiction</u>	<u>Disqualification and loss of purse.</u>	<u>Disqualification and loss of purse.</u>	
<u>Third offense within a 365-day period in any racing jurisdiction</u>	<u>Disqualification and loss of purse.</u>	<u>Disqualification and loss of purse.</u>	

2 (6) Class D Drug.

3 (a) The penalties established in paragraph (b) of this subsection shall apply to a Class D
4 drug violation.

5 (b) TRAINER

<u>1-4 offenses within a 365-day period in any racing jurisdiction</u>	<u>5 or more offenses within a 365-day period in any racing jurisdiction</u>
<u>Zero to five (5) day suspension;</u>	<u>Five (5) to ten (10) day suspension;</u>
<u>AND</u>	<u>AND</u>
<u>\$250 to \$500 fine.</u>	<u>\$500 to \$1000 fine.</u>

6 Section 5. TCO2 Penalties. Penalties for violations of 810 KAR 1:018, Section 20(6), (7),
7 (8) shall be as follows:

1 (a) TRAINER

<u>First offense</u>	<u>Second offense within a 365-day period in any racing jurisdiction</u>	<u>Third offense within a 365-day period in any racing jurisdiction</u>	<u>Subsequent offenses within a 365-day period in any racing jurisdiction</u>
<u>Zero to ninety (90) day suspension;</u> <u>AND</u> <u>\$1,000 to \$1,500 fine.</u>	<u>Ninety (90) to one hundred eighty (180) day suspension;</u> <u>AND</u> <u>\$1,500 to \$3,000 fine.</u>	<u>One hundred eighty (180) to three hundred sixty five day suspension;</u> <u>AND</u> <u>\$3,000 to \$5,000 fine.</u>	<u>One (1) year suspension to lifetime ban.</u>

2 (b) OWNER

<u>First offense</u>	<u>Second offense within a 365-day period in any racing jurisdiction</u>	<u>Third offense within a 365-day period in any racing jurisdiction</u>	<u>Subsequent offenses within a 365-day period in any racing jurisdiction</u>
<u>Disqualification and loss of purse.</u>	<u>Disqualification and loss of purse;</u> <u>AND</u> <u>If same horse as first offense, horse shall be placed on the steward's list from fifteen (15) to sixty (60) days and may be required to pass a commission-approved examination before being eligible to enter as determined by the stewards.</u>	<u>Disqualification and loss of purse;</u> <u>AND</u> <u>If same horse as first and second offenses, horse shall be placed on the steward's list from sixty (60) to one hundred eighty (180) and may be required to pass a commission-approved examination before being eligible to enter as determined by the stewards.</u>	<u>Disqualification and loss of purse.</u> <u>AND</u> <u>If same horse as first, second, and third offenses, horse shall be placed on the steward's list from one hundred eighty (180) to three hundred sixty five (365) days and may be required to pass</u>

			<u>a commission-approved examination before being eligible to enter as determined by the stewards.</u>
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1 Section 6. Shock Wave Machine and Blood Gas Machine Penalties. Penalties for violations
2 of 810 KAR 1:018, Section 20(5), (9), or (10), shall be as follows:

3 (a) TRAINER

<u>First offense</u>	<u>Second lifetime offense in any racing jurisdiction</u>	<u>Third lifetime offense in any racing jurisdiction</u>
<u>Thirty (30) to sixty (60) day suspension;</u> <u>AND</u> <u>\$1,000 to \$5,000 fine.</u>	<u>Sixty (60) to one hundred eighty (180) day suspension;</u> <u>AND</u> <u>\$5,000 to \$10,000 fine.</u>	<u>One hundred eighty (180) to three hundred sixty five day suspension;</u> <u>AND</u> <u>\$10,000 to \$20,000 fine.</u>

4 (b) OWNER

<u>First offense</u>	<u>Second lifetime offense in any racing jurisdiction</u>	<u>Third lifetime offense in any racing jurisdiction</u>
<u>Disqualification and loss of purse.</u>	<u>Disqualification and loss of purse;</u> <u>AND</u> <u>If same horse as first offense, horse shall be placed on the steward's list from fifteen (15) to sixty (60) days and may be required to pass a commission-approved</u>	<u>Disqualification and loss of purse;</u> <u>AND</u> <u>If same horse as first and second offenses, horse shall be placed on the steward's list from sixty (60) to one hundred eighty (180) days and may be required to pass a</u>

	<u>examination before being eligible to enter as determined by the stewards.</u>	<u>commission-approved examination before being eligible to enter as determined by the stewards.</u>
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Section 7. Out-of-Competition Testing. The penalties established in 810 KAR 1:110, Section 8, shall apply to violations involving the prohibited substances and practices described in Section 2 of that administrative regulation.

~~[Section 4. Penalties for Class A, B, C, and D Drug Violations and NSAID and Furosemide Violations. (1) Class A drug. A horse that tests positive for a Class A drug shall be disqualified and listed as unplaced and all purse money shall be forfeited. In addition, a licensee who administers, or is a party to or responsible for administering a Class A drug to a horse shall be subject to the following penalties as deemed appropriate by the commission in keeping with the seriousness of the violation and the facts of the case:~~

~~(a) For a first offense:~~

~~1. A minimum one (1) year suspension, absent mitigating circumstances. The presence of aggravating factors may be used to impose a maximum of a three (3) year suspension or revocation. Section 8 of this administrative regulation shall apply to the person whose licensing privileges have been suspended or revoked; and~~

~~2. Payment of a fine of \$5,000 to \$10,000.~~

~~(b) For a second lifetime offense in any racing jurisdiction:~~

~~1. A minimum three (3) year suspension or revocation, absent mitigating circumstances. The presence of aggravating factors may be used to impose a maximum of a five (5) year suspension or revocation. Section 8 of this administrative regulation shall apply to the person whose licensing privileges have been suspended or revoked; and~~

~~2. Payment of a fine of \$10,000 to \$20,000.~~

~~(c) For a third lifetime offense in any racing jurisdiction:~~

~~1. A minimum five (5) year suspension or revocation, absent mitigating circumstances. The presence of aggravating factors may be used to impose a maximum of a lifetime revocation. Section 8 of this administrative regulation shall apply to the person whose licensing privileges have been suspended or revoked; and~~

~~2. Payment of a fine of \$20,000 to \$50,000.~~

~~(d) Horse ineligible. A horse that tests positive for a Class A drug shall be ineligible to race in Kentucky as follows:~~

~~1. For a first offense, the horse shall be ineligible from zero days to sixty (60) days;~~

~~2. For a second offense in a horse owned by the same owner, the horse shall be ineligible from sixty (60) days to 180 days; and~~

~~3. For a third offense in a horse owned by the same owner, the horse shall be ineligible from 180 to 240 days.~~

~~(2) Class B drug. A horse that tests positive for a Class B drug shall be disqualified and listed as unplaced and all purse money shall be forfeited. In addition, a licensee who administers, or is a party to or responsible for administering a Class B drug to a horse shall be subject to the following penalties as deemed appropriate by the commission in keeping with the seriousness of the violation and the facts of the case:~~

~~(a) For a first offense:~~

~~1. A minimum fifteen (15) day suspension, absent mitigating circumstances. The presence of aggravating factors may be used to impose a maximum of a sixty (60) day suspension or~~

1 ~~revocation. Section 8 of this administrative regulation shall apply to a person whose licensing~~
2 ~~privileges have been suspended or revoked; and~~

3 ~~2. Payment of a fine of \$500 to \$1,000.~~

4 ~~(b) For a second offense within a 365 day period in any racing jurisdiction:~~

5 ~~1. A minimum sixty (60) day suspension, absent mitigating circumstances. The presence of~~
6 ~~aggravating factors may be used to impose a maximum of a 180 day suspension. Section 8 of~~
7 ~~this administrative regulation shall apply to a person whose licensing privileges have been~~
8 ~~suspended or revoked; and~~

9 ~~2. Payment of a fine of \$1,000 to \$2,500.~~

10 ~~(c) For a third offense within a 365 day period in any racing jurisdiction:~~

11 ~~1. A minimum 180 day suspension, absent mitigating circumstances. The presence of~~
12 ~~aggravating factors may be used to impose a maximum of a one (1) year suspension. Section 8~~
13 ~~of this administrative regulation shall apply to the person whose licensing privileges have been~~
14 ~~suspended or revoked; and~~

15 ~~2. Payment of a fine of \$2,500 to \$5,000.~~

16 ~~(d) Horse ineligible. A horse that tests positive for a Class B drug shall be ineligible to race~~
17 ~~in Kentucky as follows:~~

18 ~~1. For a first offense, the horse shall be ineligible from zero days to sixty (60) days;~~

19 ~~2. For a second offense in a horse owned by the same owner, the horse shall be ineligible~~
20 ~~from sixty (60) days to 180 days; and~~

21 ~~3. For a third offense in a horse owned by the same owner, the horse shall be ineligible~~
22 ~~from 180 days to 240 days.~~

~~(3) Class C drug or overage of either permitted NSAID flunixin or ketoprofen.~~

~~(a) The following licensees shall be subject to the penalties in paragraphs (b) through (d) of this subsection as deemed appropriate by the commission in keeping with the seriousness of the violation and the facts of the case:~~

~~1. A licensee who administers, or is a party to or responsible for administering a Class C drug to a horse, in violation of 810 KAR 1:018; and~~

~~2. A licensee who is responsible for an overage of either permitted NSAID flunixin or ketoprofen in the following concentrations in violation of 810 KAR 1:018:~~

~~a. Flunixin, greater than 100 ng/ml; or~~

~~b. Ketoprofen, greater than 50 ng/ml.~~

~~(b) For a first offense:~~

~~1. A suspension or revocation of licensing privileges from zero days to ten (10) days;~~

~~2. Payment of a fine of \$250 to \$500; and~~

~~3. Forfeiture of purse money won.~~

~~(c) For a second offense within a 365 day period:~~

~~1. A suspension or revocation of licensing privileges from ten (10) days to thirty (30) days;~~

~~2. Payment of a fine of \$500 to \$1,000; and~~

~~3. Forfeiture of purse money won.~~

~~(d) For a third offense within a 365 day period:~~

~~1. A suspension or revocation of licensing privileges from thirty (30) days to sixty (60) days;~~

~~2. Payment of a fine of \$1,000 to \$2,500; and~~

1 ~~3. Forfeiture of purse money won.~~

2 ~~(e) Notwithstanding paragraphs (a) through (d) of this subsection, a licensee who~~
3 ~~administers, or is a party to or responsible for an overage of either permitted NSAID flunixin or~~
4 ~~ketoprofen in the following concentrations shall be subject to the following penalties as~~
5 ~~deemed appropriate by the commission in keeping with the seriousness of the violation and the~~
6 ~~facts of the case:~~

7 ~~1. Flunixin (21-99 ng/ml); or~~

8 ~~2. Ketoprofen (11-49ng/ml).~~

9 ~~a. For a first offense:~~

10 ~~(i) A suspension or revocation of licensing privileges from zero days to five (5) days; and~~

11 ~~(ii) Payment of a fine of \$250 to \$500.~~

12 ~~b. For a second offense within a 365-day period:~~

13 ~~(i) A suspension or revocation of licensing privileges from five (5) days to ten (10) days;~~

14 and

15 ~~(ii) Payment of a fine of \$500 to \$1,000.~~

16 ~~c. For a third offense within a 365-day period:~~

17 ~~(i) A suspension or revocation of licensing privileges from ten (10) days to fifteen (15)~~
18 ~~days.~~

19 ~~(ii) Payment of a fine of \$1,000 to \$2,500; and~~

20 ~~(iii) Forfeiture of purse money won.~~

21 ~~(4) Overage of Permitted NSAID Phenylbutazone.~~

~~(a) A licensee who administers, or is a party to or responsible for an overage of the permitted NSAID phenylbutazone in a concentration of greater than 2.0 mcg/ml and less than 5.1 mcg/ml shall be subject the following penalties as deemed appropriate by the commission in keeping with the seriousness of the violation and the facts of the case:~~

~~1. For a first offense:~~

~~a. Minimum penalty of a written warning up to a maximum penalty of a \$500 fine; and~~

~~b. The horse may not be eligible to enter until it has been approved for racing by the commission veterinarian.~~

~~2. For a second offense within a 365 day period:~~

~~a. Minimum penalty of a written warning up to a maximum penalty of a \$750 fine; and~~

~~b. The horse shall not be eligible to enter until it has been approved for racing by the commission veterinarian.~~

~~3. For a third offense within a 365 day period:~~

~~a. A fine of \$500 to \$1,000;~~

~~b. Forfeiture of purse money won;~~

~~c. The horse shall be disqualified and listed as unplaced; and~~

~~d. The horse shall not be eligible to enter until it has been approved for racing by the commission veterinarian.~~

~~(b) A licensee who administers, or is a party to or responsible for an overage of the permitted NSAID Phenylbutazone in a concentration of greater than 5.0 mcg/ml shall be subject to the following penalties as deemed appropriate by the commission in keeping with the seriousness of the violation and the facts of the case:~~

- ~~1. For a first offense, payment of a fine from \$1,000 to \$1,500; and~~
 - ~~2. For a second offense within a 365 day period:~~
 - ~~a. Payment of a fine from \$1,500 to \$2,500;~~
 - ~~b. A suspension of licensing privileges for fifteen (15) days, unless the stewards or the commission finds mitigating circumstances;~~
 - ~~c. Forfeiture of purse money won; and~~
 - ~~d. The horse shall be disqualified and listed as unplaced.~~
 - ~~3. For a third offense within a 365 day period:~~
 - ~~a. A fine of \$2,500 to \$5,000;~~
 - ~~b. A suspension of licensing privileges for thirty (30) days, unless the stewards or the commission finds mitigating circumstances;~~
 - ~~c. Forfeiture of purse money won; and~~
 - ~~d. The horse shall be disqualified and listed as unplaced.~~
- ~~(5) Furosemide Violations.~~
- ~~(a) The following licensees shall be subject to the following penalties as deemed appropriate by the commission in keeping with the seriousness of the violation and the facts of the case:~~
- ~~1. A licensee who administers, or is party to or responsible for administering an overage of furosemide in a concentration greater than 100 ng/ml; and~~
 - ~~2. A licensee who has not administered furosemide when notice has been made that the horse shall race on furosemide pursuant to 810 KAR 1:018, Section 7.~~
- ~~(b) For a first offense:~~

~~1. A suspension or revocation of licensing privileges from zero days to five (5) days; and~~

~~2. Payment of a fine of \$250 to \$500.~~

~~(c) For a second offense within a 365 day period:~~

~~1. A suspension or revocation of licensing privileges from five (5) days to ten (10) days;~~

~~and~~

~~2. Payment of a fine of \$500 to \$1,000.~~

~~(d) For a third offense within a 365 day period:~~

~~1. A suspension or revocation of licensing privileges from ten (10) days to fifteen (15) days;~~

~~2. Payment of a fine of \$1,000 to \$2,500; and~~

~~3. Forfeiture of purse money won.~~

~~(6) Multiple NSAIDs. A licensee who is responsible for an overage of two (2) of the permitted NSAIDs flunixin, ketoprofen, or phenylbutazone shall be subject to the following penalties as deemed appropriate by the commission in keeping with the seriousness of the violation and the facts of the case:~~

~~(a) For violations where the concentrations of both of the two (2) permitted NSAIDs is above the primary thresholds:~~

~~1. For a first offense:~~

~~a. A suspension or revocation of licensing privileges from zero days to sixty (60) days.~~

~~Section 8 of this administrative regulation shall apply to a person whose licensing privileges have been suspended or revoked;~~

~~b. Payment of a fine of \$500 to \$1,000; and~~

~~c. Forfeiture of purse money won.~~

~~2. For a second offense within a 365 day period:~~

~~a. A suspension or revocation of licensing privileges from sixty (60) days to 180 days.~~

~~Section 8 of this administrative regulation shall apply to a person whose licensing privileges have been suspended or revoked;~~

~~b. Payment of a fine of \$1,000 to \$2,500; and~~

~~c. Forfeiture of purse money won.~~

~~3. For a third offense within a 365 day period:~~

~~a. A suspension or revocation of licensing privileges from 180 days to one (1) year. Section 8 of this administrative regulation shall apply to a person whose licensing privileges have been suspended or revoked;~~

~~b. Payment of a fine of \$2,500 to \$5,000; and~~

~~c. Forfeiture of purse money won.~~

~~(b) For violations where the concentration of one (1) of the two (2) permitted NSAIDs is above the primary threshold and one (1) of the two (2) permitted NSAIDs is above the secondary threshold:~~

~~1. For a first offense:~~

~~a. A suspension or revocation of licensing privileges from zero days to fifteen (15) days.~~

~~Section 8 of this administrative regulation shall apply to a person whose licensing privileges have been suspended or revoked;~~

~~b. Payment of a fine of \$250 to \$750; and~~

~~c. Forfeiture of purse money won.~~

~~2. For a second offense within a 365-day period:~~

~~a. A suspension or revocation of licensing privileges from fifteen (15) days to thirty (30) days. Section 8 of this administrative regulation shall apply to a person whose licensing privileges have been suspended or revoked;~~

~~b. Payment of a fine of \$750 to \$1,500; and~~

~~c. Forfeiture of purse money won.~~

~~3. For a third offense within a 365-day period:~~

~~a. A suspension or revocation of licensing privileges from thirty (30) days to sixty (60) days. Section 8 of this administrative regulation shall apply to a person whose licensing privileges have been suspended or revoked;~~

~~b. Payment of a fine of \$1,500 to \$3,000; and~~

~~c. Forfeiture of purse money won.~~

~~(c) For violations where the concentrations of both of the two (2) permitted NSAIDs are below the primary threshold and both of the two (2) permitted NSAIDs are above the secondary threshold:~~

~~1. For a first offense:~~

~~a. A suspension or revocation of licensing privileges from zero days to five (5) days. Section 8 of this administrative regulation shall apply to a person whose licensing privileges have been suspended or revoked; and~~

~~b. Payment of a fine of \$250 to \$500.~~

~~2. For a second offense within a 365-day period:~~

1 ~~a. A suspension or revocation of licensing privileges from five (5) days to ten (10) days.~~
2 ~~Section 8 of this administrative regulation shall apply to a person whose licensing privileges~~
3 ~~have been suspended or revoked; and~~

4 ~~b. Payment of a fine of \$500 to \$1,000.~~

5 ~~3. For a third offense within a 365 day period:~~

6 ~~a. A suspension or revocation of licensing privileges from ten (10) days to fifteen (15)~~
7 ~~days. Section 8 of this administrative regulation shall apply to a person whose licensing~~
8 ~~privileges have been suspended or revoked; and~~

9 ~~b. Payment of a fine of \$1,000 to \$2,500.~~

10 ~~(7) Class D Drug.~~

11 ~~(a) The penalty for a first violation involving a Class D drug shall be a written warning to~~
12 ~~the trainer and owner.~~

13 ~~(b) For multiple violations involving a Class D drug the licensee may be subject to a~~
14 ~~suspension of licensing privileges from zero days to five (5) days and a fine of no more than~~
15 ~~\$250 as deemed appropriate by the commission in keeping with the seriousness of the violation~~
16 ~~and the facts of the case.~~

17 ~~Section 5. Out of Competition Testing. The penalties established in 810 KAR 1:110,~~
18 ~~Section 8, shall apply to violations involving the prohibited substances and practices described~~
19 ~~in Section 2 of that administrative regulation.~~

20 ~~Section 6. TCO2 penalties. A person who violates or causes the violation of 810 KAR 1:018,~~
21 ~~Section 20(6), (7), or (8) shall be subject to the following penalties as deemed appropriate by~~
22 ~~the commission in keeping with the seriousness of the violation and the facts of the case:~~

~~(1) For a first offense:~~

~~(a) A suspension or revocation of licensing privileges from zero days to three (3) months;~~

~~(b) Payment of a fine of \$1,000 to \$1,500; and~~

~~(c) Forfeiture of purse money won.~~

~~(2) For a second offense:~~

~~(a) A suspension or revocation of licensing privileges from three (3) months to six (6)~~
months;

~~(b) Payment of a fine of \$1,500 to \$3,000; and~~

~~(c) Forfeiture of purse money won.~~

~~(3) For a third offense:~~

~~(a) A suspension or revocation of licensing privileges from six (6) months to one (1) year;~~

~~(b) Payment of a fine of \$3,000 to \$5,000; and~~

~~(c) Forfeiture of purse money won.~~

~~(4) For subsequent offenses:~~

~~(a) A suspension or revocation of licensing privileges from one (1) year up to a lifetime~~
license revocation; and

~~(b) Forfeiture of purse money won.~~

~~(5) Horse ineligible. A horse that registers a TCO2 level in violation of 810 KAR 1:018,~~
Section 20(6), (7), or (8) shall be ineligible to race in Kentucky as follows:

~~(a) For a first offense, no period of ineligibility;~~

~~(b) For a second offense in the same horse, the horse shall be ineligible from fifteen (15)~~
days to sixty (60) days;

~~(c) For a third offense in the same horse, the horse shall be ineligible from sixty (60) days to 180 days; and~~

~~(d) For a fourth offense in the same horse, the horse shall be ineligible from 180 days to one (1) year.~~

~~Section 7. Shock Wave Machine and Blood Gas Machine Penalties. A person who violates or causes the violation of 810 KAR 1:018, Section (5), (9), or (10), shall be subject to the following penalties as deemed appropriate by the commission in keeping with the seriousness of the violation and the facts of the case.~~

~~(1) For a first offense:~~

~~(a) A suspension or revocation of licensing privileges from one (1) month to three (3) months;~~

~~(b) Payment of a fine of \$1,000 to \$5,000; and~~

~~(c) Forfeiture of purse money won.~~

~~(2) For a second offense:~~

~~(a) A suspension or revocation of licensing privileges from three (3) months to six (6) months;~~

~~(b) Payment of a fine of \$5,000 to \$10,000; and~~

~~(c) Forfeiture of purse money won.~~

~~(3) For a third offense:~~

~~(a) A suspension or revocation of licensing privileges from six (6) months to one (1) year;~~

~~(b) Payment of a fine of \$10,000 to \$20,000; and~~

~~(c) Forfeiture of purse money won.]~~

Section 8. Persons with a Suspended or Revoked License. (1) A person shall not train a horse or practice veterinary medicine for the benefit, credit, reputation, or satisfaction of an inactive person. The partners in a veterinary practice may provide services to horses if the inactive person does not receive a pecuniary benefit from those services.

(2) An associated person of an inactive person shall not:

(a) Assume the inactive person's responsibilities at a location under the jurisdiction of the commission;

(b) Complete an entry form for a race to be held in Kentucky on behalf of or for the inactive person or an owner or customer for whom the inactive person has worked; or

(c) Pay or advance an entry fee for a race to be held in Kentucky on behalf of or for the inactive person or an owner or customer for whom the inactive person has worked.

(3) An associated person who assumes the responsibility for the care, custody, or control of an unsuspended horse owned (fully or partially), leased, or trained by an inactive person shall not:

(a) Be paid a salary directly or indirectly by or on behalf of the inactive person;

(b) Receive a bonus or any other form of compensation in cash, property, or other remuneration or consideration;

(c) Make a payment or give remuneration or other compensation or consideration to the inactive person or associated person; or

(d) Train or perform veterinarian work for the inactive person or an owner or customer of the inactive person at a location under the jurisdiction of the commission.

(4) A person who is responsible for the care, training, or veterinarian services provided to a horse formerly under the care, training, or veterinarian services of an inactive person shall:

(a) Bill customers directly on his or her bill form for any services rendered at or in connection with any race meeting in Kentucky;

(b) Maintain a personal checking account totally separate from and independent of that of the inactive person to be used to pay expenses of and deposit income from an owner or client of the inactive person;

(c) Not use the services, directly or indirectly, of current employees of the inactive person; and

(d) Pay bills related to the care, training, and racing of the horse from a separate and independent checking account. Copies of the invoices for the expenses shall be retained for not less than six (6) months after the date of the reinstatement of the license of the inactive person or the expiration of the suspension of the inactive person's license.

Section 9. Other Disciplinary Measures. (1) A person who violates 810 KAR 1:018, Section 20(2), shall be treated the same as a person who has committed a drug violation of the same class, as determined by the commission after consultation with the Equine Drug Research Council.

(2) A person who violates 810 KAR 1:018, Section 20(3), shall be treated the same as a person who has committed a Class A drug violation.

Section 10. Disciplinary Measures by Stewards. Upon finding a violation or an attempted violation of the provisions of KRS Chapter 230 relating to thoroughbred racing or 810 KAR

Chapter 1, if not otherwise provided for in this administrative regulation, the stewards may impose one (1) or more of the following penalties:

(1) If the violation or attempted violation may affect the health or safety of the horse or a participant in a race or may affect the outcome of a race, declare a horse or a licensee ineligible to race or disqualify a horse or licensee in a race;

(2) Suspend or revoke a person's licensing privileges for a period of time of not more than five (5) years as may be deemed appropriate by the stewards in keeping with the seriousness of the violation and the facts of the case;

(3) Cause a person, licensed or unlicensed, found to have interfered with, or contributed toward the interference of the orderly conduct of a race or race meeting, or person whose presence is found by the stewards to be inconsistent with maintaining the honesty and integrity of the sport of horse racing to be excluded or ejected from association grounds or from a portion of association grounds; or

(4) Payment of a fine in an amount not to exceed \$50,000 as may be deemed appropriate by the stewards in keeping with the seriousness of the violation and the facts of the case.

Section 11. Disciplinary measures by the commission. Upon finding a violation or an attempted violation of the provisions of KRS Chapter 230 relating to thoroughbred racing or 810 KAR Chapter 1, if not otherwise provided for in this administrative regulation, the commission may impose one (1) or more of the following penalties:

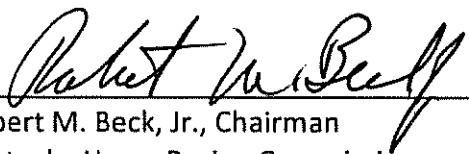
(1) If the violation or attempted violation may affect the health or safety of the horse or a participant in a race or may affect the outcome of a race, declare a horse or a licensee ineligible to race or disqualify a horse or licensee in a race;

1 (2) Suspend or revoke a person's licensing privileges for a period of time of not more than
2 five (5) years as may be deemed appropriate by the commission in keeping with the seriousness
3 of the violation;

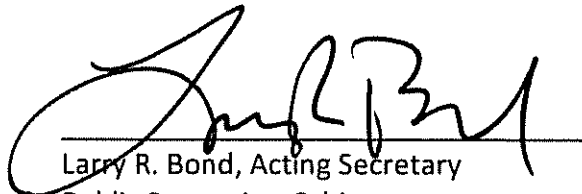
4 (3) Eject or exclude persons from association grounds for a length of time the commission
5 deems necessary; or

6 (4) Payment of a fine in an amount not to exceed \$50,000 as may be deemed appropriate
7 by the commission in keeping with the seriousness of the violation and the facts of the case.

READ AND APPROVED:


Robert M. Beck, Jr., Chairman
Kentucky Horse Racing Commission

9-30-14
Date


Larry R. Bond, Acting Secretary
Public Protection Cabinet

10-1-14
Date

PUBLIC HEARING AND PUBLIC COMMENT PERIOD: A public hearing on this administrative regulation shall be held on November 24, 2014 at 10:00 AM, at the offices of the Kentucky Horse Racing Commission, 4063 Iron Works Parkway, Building B, Lexington, Kentucky 40511. Individuals interested in being heard at this hearing shall notify the Kentucky Horse Racing Commission in writing by November 17, 2014, five (5) working days prior to the hearing, of their intent to attend. If no notification of intent to attend the hearing is received by that date, the hearing may be cancelled. This hearing is open to the public. Any person who wishes to be heard will be given an opportunity to comment on the proposed administrative regulation. A transcript of the public hearing will not be made unless a written request for a transcript is made. If you do not wish to be heard at the public hearing, you may submit written comments on the proposed administrative regulation. Written comments shall be accepted until close of business on December 1, 2014. Please send written notification of intent to be heard at the public hearing or written comments on the proposed administrative regulation to the contact person below.

CONTACT PERSON: Susan B. Speckert
General Counsel
Kentucky Horse Racing Commission
4063 Iron Works Parkway, Building B
Lexington, KY 40511
Phone: (859) 246-2040
Facsimile: (859) 246-2039

REGULATORY IMPACT ANALYSIS AND TIERING STATEMENT

Contact Person: Susan B. Speckert, General Counsel, Kentucky Horse Racing Commission
Phone (859) 246-2040

(I) Provide a brief summary of:

(a) What this administrative regulation does: This administrative regulation establishes penalties for violations of 810 KAR 1:018 and other regulations and statutes thereby giving licensees and other participants notice of consequences of violations.

(b) The necessity of this administrative regulation: This regulation is necessary to fulfill the statutory mandates found in KRS 230.215(2) and KRS 230.240(2).

KRS 230.215(2) states that,

[I]t is hereby declared the purpose and intent of this chapter in the interest of the public health, safety, and welfare, to vest in the racing commission forceful control of horse racing in the Commonwealth with plenary power to promulgate administrative regulations prescribing conditions under which all legitimate horse racing and wagering thereon is conducted in the Commonwealth...

KRS 230.240(2) states,

The racing commission shall promulgate administrative regulations for effectively preventing the use of improper devices, and restricting or prohibiting the use and administration of drugs or stimulants or other improper acts to horses prior to the horse participating in a race.

Without this administrative regulation, the commission would be unable to fulfill the statutory mandates set forth above.

(c) How this administrative regulation conforms to the content of the authorizing statutes: KRS 230.215(2) mandates that the commission establish the conditions under which thoroughbred racing and pari-mutuel wagering thereon shall be conducted in Kentucky and

charges it to, “promulgate administrative regulations prescribing conditions under which all legitimate horse racing and wagering thereon is conducted in the Commonwealth.” KRS 230.240(2) further requires the commission to promulgate administrative regulations restricting or prohibiting the administration of drugs or stimulants or other improper acts to horses prior to the horse participating in a race. This regulation enables the commission to fulfill its statutory mandates by providing a means to enforce its rules and regulations.

Along with 810 KAR 1:018, this regulation allows the commission to “maintain horse racing at horse race meetings in the Commonwealth of the highest quality and free of any corrupt, incompetent, dishonest, or unprincipled horse racing practices, and to regulate and maintain horse racing at race meetings in the Commonwealth so as to dissipate any cloud of association with the undesirable and maintain the appearance as well as the fact of complete honesty and integrity of horse racing in the Commonwealth.” See KRS 230.215.

(d) How this administrative regulation currently assists or will assist in the effective administration of the statutes: KRS 230.215 articulates the commission’s statutory mandate to regulate horse racing in Kentucky “free of any corrupt, incompetent, dishonest, or unprincipled horse racing practices, and to regulate and maintain horse racing at race meetings in the Commonwealth so as to dissipate any cloud of association with the undesirable and maintain the appearance as well as the fact of complete honesty and integrity of horse racing in the Commonwealth.” KRS 230.240 requires the commission to promulgate administrative regulations restricting or prohibiting the administration of drugs or stimulants or other improper acts to horses prior to the horse participating in a race. This regulation enables the

commission to fulfill its statutory mandates by providing a means to enforce its rules and regulations.

(2) If this is an amendment to an existing administrative regulation, provide a brief summary of:

(a) How the amendment will change this existing administrative regulation:

- The amendments make the penalty rule more consistent with the Model Rules issued by the Association of Racing Commissioners International, the umbrella organization for horse racing regulators in North America.
- To make the regulation clearer and more user-friendly, the penalties are presented in a chart.
- If a penalty for a medication violation requires a horse to be placed on the stewards' list, the stewards may waive this requirement if the ownership of the horse was legitimately transferred prior to the trainer's notification by the commission of the positive test result.
- The amendments create a new form and require claimants who choose to have a claimed horse tested to complete the form and include the form in the claim envelope. The form must be filled out completely and included in the claim envelope in order for the request to be valid.

(b) The necessity of the amendment to this administrative regulation: The amendments are necessary to ensure that our penalties are appropriate and clear. The amendments help provide a fair and effective mechanism for enforcing KHRC rules and regulations.

(c) How the amendment conforms to the content of the authorizing statutes: KRS 230.215(2) grants the commission the authority to regulate conditions under which thoroughbred racing and pari-mutuel wagering thereon shall be conducted in Kentucky and charges it to, "promulgate administrative regulations prescribing conditions under which all legitimate horse racing and wagering thereon is conducted in the Commonwealth." KRS 230.240(2) requires the commission to promulgate administrative regulations restricting or prohibiting the administration of drugs or stimulants or other improper acts to horses prior to the horse participating in a race. This regulation enables the commission to fulfill its statutory mandates by providing a means to enforce its rules and regulations.

(d) How the amendment will assist in the effective administration of the statutes: This regulation enables the commission to fulfill its statutory mandates by providing a means to enforce its rules and regulations.

(3) List the type and number of individuals, businesses, organizations, or state and local governments affected by this administrative regulation: This administrative regulation will affect all participants in horse racing in Kentucky, including owners, trainers, jockeys, and the commission.

(4) Provide an analysis of how the entities identified in question (3) will be impacted by either the implementation of this administrative regulation, if new, or by the change, if it is an amendment, including:

(a) List the actions that each of the regulated entities identified in question (3) will have to take to comply with this administrative regulation or amendment: The amendments to this

regulation will not require any particular action on the part of regulated entities. It provides notice to those entities of the potential penalties associated with a rule or regulation violation.

(b) In complying with this administrative regulation or amendment, how much will it cost each of the entities identified in question (3): There are not costs associated with this regulation.

(c) As a result of compliance, what benefits will accrue to the entities identified in question (3): The amendments establish a fair penalty structure consistent with the Model Rules and presents the penalties in a clear and easy-to-understand format. This regulation provides notice to participants of the potential penalties associated with a rule or regulation violation

(5) Provide an estimate of how much it will cost the administrative body to implement this administrative regulation:

(a) Initially: There are no costs associated with implementing this administrative regulation.

(b) On a continuing basis: There are no costs associated with implementing this administrative regulation.

(6) What is the source of the funding to be used for the implementation and enforcement of this administrative regulation: N/A

(7) Provide an assessment of whether an increase in fees or funding will be necessary to implement this administrative regulation, if new, or by the change if it is an amendment: No increase in fees or funding will be necessary.

(8) State whether or not this administrative regulation established any fees or directly or indirectly increased any fees: The regulation does not establish any fees or directly or indirectly increase any fees.

(9) TIERING: Is tiering applied? (Explain why or why not) Tiering is not applied. All aspects of this regulation will be applied equally to the affected parties.

FISCAL NOTE ON STATE OR LOCAL GOVERNMENT

Regulation Number: 810 KAR 1:028

Contact Person: Susan B. Speckert, General Counsel, Kentucky Horse Racing Commission

Phone number: (859) 246-2040

(1) What units, parts, or divisions of state or local government (including cities, counties, fire departments, or school districts) will be impacted by this administrative regulation? The Kentucky Horse Racing Commission.

(2) Identify each state or federal statute or federal regulation that requires or authorizes the action taken by the administrative regulation. Kentucky Revised Statutes 230.215, 230.225, 230.240, 230.260, 230.290, 230.310, 230.320.

(3) Estimate the effect of this administrative regulation on the expenditures and revenues of a state or local government agency (including cities, counties, fire departments, or school districts) for the first full year the administrative regulation is to be in effect. No estimated change in expenditures or revenues.

(a) How much revenue will this administrative regulation generate for the state or local government (including cities, counties, fire departments, or school districts) for the first year? None.

(b) How much revenue will this administrative regulation generate for the state or local government (including cities, counties, fire departments, or school districts) for subsequent years? None.

(c) How much will it cost to administer this program for the first year? There are no costs associated with this administrative regulation.

(d) How much will it cost to administer this program for subsequent years? There are no costs associated with this administrative regulation.

Note: If specific dollar estimates cannot be determined, provide a brief narrative to explain the fiscal impact of the administrative regulation.

Revenues (+/-):

Expenditures (+/-):

Other Explanation: